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The original instrument was prepared by Danielle Doiron. The following digest, which does not constitute a part of the legislative instrument, was prepared by Linda Nugent.

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## DIGEST

### Marionneaux (SB 109)

Present law authorizes a credit against Louisiana income and corporation franchise tax liability for qualifying individuals or entities which invest in a "Louisiana Entrepreneurial Businesses," that is, a business which has been approved by the Dept. of Economic Development (hereinafter "department") as a wealth-creating business based in Louisiana, which anticipates having more than 50% of its sales outside of Louisiana. The business cannot be a business engaged primarily in retail sales, real estate, professional services, gaming or gambling, natural resource extraction or exploration, or financial services including venture capital funds.

Present law authorizes credits for up to \$1 million per year per business, not to exceed \$2 million per business. The amount of the credit is 50% of the amount of money invested, to be divided into equal portions over five years.

Present law limits the total amount of credits which the department may grant each calendar year to \$5 million.

Proposed law retains present law with respect to the \$5 million annual limit, and provides that, in the event the total amount of credits granted by the department in any year is less than \$5 million, any residual amount of unused credits shall be carried forward for use in subsequent years.

Proposed law authorizes the department to establish by rule the method of allocating available tax credits to applicants, which may include a first come first served system, reservation of tax credits for a specified time period, or other method which the department deems appropriate.

Present law sunsets the Angel Investor Tax Credit Program on December 31, 2009.

Proposed law extends the duration of the program through December 31, 2014.

Present law requires each Louisiana Entrepreneurial Business which has received assistance from an angel investor to report each year to the Dept. of Economic Development with respect to amounts invested, numbers of jobs created and sales and tax revenues.

Proposed law retains present law and adds requirement that the Louisiana Entrepreneurial Business also report its net profit (loss) amounts and its projections for investments by angel investors, and estimates of profit (loss) and revenues for the following year.

This Act is applicable to all income tax and franchise tax years beginning on or after January 1, 2010. This Act is null and void on December 31, 2014.

Effective December 31, 2009.

(Amends R.S. 47:6020.1(A), (B)(2)(a) and (c), and (C)(1)(introductory paragraph) and 6020.2(A)(1) and (2)(a), (b) and (c), R.S. 47:6020.4(B); adds R.S. 47:6020.1(D) and 6020.4(3)(g) and (h))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Specifies the taxes to which the tax credit applies.

##### Senate Floor Amendments to engrossed bill.

1. Technical amendments.